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C O N F I D E N T I A L BEIJING 000246

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [ECON](#) [CH](#) [EG](#) [IR](#)
SUBJECT: PRC/EGYPT: IRAN SUPPORT, LOP-SIDED BILATERAL
AGENDA FRUSTRATE CAIRO

Classified By: Deputy Political Section Chief Ben Moeling.
Reasons 1.4 (b) and (d).

¶1. (C) SUMMARY. According to an Egyptian diplomatic contact, Arab states are increasingly frustrated by China's ability to obtain concessions in the China-Arab Cooperation Forum without offering the region commensurate support for its interests. China was primarily interested in political support in the Muslim world for its policies in Xinjiang, increased energy cooperation, and access to new markets for Chinese products. He claimed that Egypt was rethinking its approach to the China-Arab Cooperation Forum as a result, and was particularly frustrated with the lack of response from the PRC to Arab concerns over Iran's destabilizing actions in the region. END SUMMARY.

Seeking New Approach to China-Arab Cooperation Forum

¶2. (C) Egyptian Embassy Political Officer Haitham Safey (protect) told PolOff January 28 that China's relations with the Arab world faced difficulties in the coming months due to frustration in the Middle East at China's ability to advance its agenda in the region without providing benefits in return. He said that the two sides were beginning preparations for the China-Arab Cooperation Forum ministerial conference to be held in June in Beijing, and a consensus was emerging among Arab states that a new approach was needed given the lack of Chinese willingness to provide them with benefits while walking away with a range of concessions at past meetings.

What China Wants: Oil, Markets, Political Backing

¶3. (C) Safey reported that China's efforts to obtain broad political support throughout the Muslim world for its ethnic policies in Xinjiang had been very successful. China also received much of what it desired in terms of increased energy cooperation and broad market access in previous meetings of the China-Arab Cooperation Forum. He argued that access to growing markets in the Middle East was particularly important for China coming out of the global economic crisis, during which Beijing came to realize the vulnerability it faced from its reliance on exports to U.S. and European markets. In return for these concessions, Arab states feel they have received no progress on issues that concern them, Safey complained, and Egypt was re-considering its approach to China in the run-up to the ministerial.

China Silent on Iran's Destabilizing Actions

¶4. (C) Our contact noted Iran as a particular point of frustration. Egyptian leaders made clear to Wen Jiabao during his November 2009 visit to Cairo, and at other times since, their concerns about increasing Iranian interference in the Arab world, including in the Israel/Palestine

conflict, Lebanon, Syria, Yemen, Sudan, and other places. He claimed that Egypt and other Arab states were pushing China to cool what they perceive as support for Iran in light of these destabilizing actions. Safey reported that Wen Jiabao had no response to the Egyptian concerns expressed last November, and Chinese officials he had met with since also failed to respond directly to these concerns. He said that the Iranian nuclear issue was not specifically highlighted as one of the concerns about Iran that the Egyptians had raised with the PRC but Cairo's entreaties made clear the destabilizing role of Iran in the region and the perception that China was seen by the Iranians as a source of support.

HUNTSMAN